

25.105 Determining reasonableness of cost.

(a) The contracting officer-

(1) Must use the evaluation factors in paragraph (b) of this section unless the head of the agency makes a written determination that the use of higher factors is more appropriate. If the determination applies to all agency *acquisitions*, the agency evaluation factors must be published in agency regulations; and

(2) Must not apply evaluation factors to *offers of eligible products* if the acquisition is subject to a trade agreement under [subpart 25.4](#).

(b) If there is a domestic offer that is not the low offer, and the restrictions of the Buy American statute apply to the low offer, the contracting officer must determine the reasonableness of the cost of the domestic offer by adding to the price of the low offer, inclusive of duty-

(1) 20 percent, if the lowest domestic offer is from a large business concern; or

(2) 30 percent, if the lowest domestic offer is from a small business concern. The contracting officer must use this factor, or another factor established in agency regulations, in small business set-asides if the low offer is from a small business concern offering the product of a small business concern that is not a domestic end product (see [subpart 19.5](#)).

(c) The price of the domestic offer is reasonable if it does not exceed the evaluated price of the low offer after addition of the appropriate evaluation factor in accordance with paragraph (a) or (b) of this section. (See evaluation procedures at [subpart 25.5](#).)

Parent topic: [Subpart 25.1 - Buy American-Supplies](#)